

KARL MARX

**WAGE LABOUR
AND CAPITAL**

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PUBLISHER'S NOTE

The present edition of Karl Marx's *Wage Labour and Capital*,¹ including the Introduction by Frederick Engels,² follows the German edition of 1891. The translation is based on previous ones, while some changes have been made for conformity with the German original.

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INTRODUCTION

The following work appeared as a series of leading articles in the *Neue Rheinische Zeitung* from April 4, 1849 onwards. It is based on the lectures delivered by Marx in 1847 at the German Workers' Society in Brussels.³ The work as printed remained a fragment; the words at the end of No. 269: "To be continued," remained unfulfilled in consequence of the events which just then came crowding one after another: the invasion of Hungary by the Russians, the insurrections in Dresden, Iserlohn, Elberfeld, the Palatinate and Baden,⁴ which led to the suppression of the newspaper itself (May 19, 1849). The manuscript of the continuation was not found among Marx's papers after his death.

Wage Labour and Capital has appeared in a number of editions as a separate publication in pamphlet form, the last being in 1884, by the Swiss Co-operative Press, Hottingen-Zurich. The editions hitherto published retained the exact wording of the original. The present new edition, however, is to be circulated in not less than 10,000 copies as a propaganda pamphlet, and so the question could not but force itself upon me whether under these circumstances Marx

himself would have approved of an unaltered reproduction of the original.

In the forties, Marx had not yet finished his critique of political economy. This took place only towards the end of the fifties. Consequently, his works which appeared before the first part of *A Contribution to the Critique of Political Economy* (1859) differ in some points from those written after 1859, and contain expressions and whole sentences which, from the point of view of the later works, appear askew and even incorrect. Now, it is self-evident that in ordinary editions intended for the general public this earlier point of view also has its place, as a part of the intellectual development of the author, and that both author and public have an indisputable right to the unaltered reproduction of these older works. And I should not have dreamed of altering a word of them.

It is another thing when the new edition is intended practically exclusively for propaganda among workers. In such a case Marx would certainly have brought the old presentation dating from 1849 into harmony with his new point of view. And I feel certain of acting as he would have done in undertaking *for this edition* the few alterations and additions which are required in order to attain this object in all essential points. I therefore tell the reader beforehand: this is not the pamphlet as Marx wrote it in 1849 but approximately as he would have written it in 1891. The actual text, moreover, is circulated in so many copies that this will suffice until I am able to reprint it again, unaltered, in a later complete edition.

My alterations all turn on one point. According to the original, the worker sells his *labour* to the capitalist for wages; according to the present text he sells his labour *power*. And for this alteration I owe an explanation. I owe it to the workers in order that they may see it is not a case here of mere

juggling with words, but rather of one of the most important points in the whole of political economy. I owe it to the bourgeois, so that they can convince themselves how vastly superior the uneducated workers, for whom one can easily make comprehensible the most difficult economic analyses, are to our supercilious "educated people" to whom such intricate questions remain insoluble their whole life long.

Classical political economy took over from industrial practice the current conception of the manufacturer, that he buys and pays for the *labour* of his workers. This conception had been quite adequate for the business needs, the book-keeping and price calculations of the manufacturer. But, naively transferred to political economy, it produced there really wondrous errors and confusions.

Economics observes the fact that the prices of all commodities, among them also the price of the commodity that it calls "labour," are continually changing; that they rise and fall as the result of the most varied circumstances, which often bear no relation whatever to the production of the commodities themselves, so that prices seem, as a rule, to be determined by pure chance. As soon, then, as political economy made its appearance as a science, one of its first tasks was to seek the law which was concealed behind this chance apparently governing the prices of commodities, and which, in reality, governed this very chance. Within the prices of commodities, continually fluctuating and oscillating, now upwards and now downwards, political economy sought for the firm central point around which these fluctuations and oscillations turned. In a word, it started from the *prices* of commodities in order to look for the *value* of the commodities as the law controlling prices, the value by which all fluctuations in price are to be explained and to which finally they are all to be ascribed.

Classical economics then found that the value of a commodity is determined by the labour contained in it, requisite for its production. With this explanation it contented itself. And we also can pause here for the time being. I will only remind the reader, in order to avoid misunderstandings, that this explanation has nowadays become totally inadequate. Marx was the first thoroughly to investigate the value-creating quality of labour and he discovered in so doing that not all labour apparently, or even really, necessary for the production of a commodity adds to it under all circumstances a magnitude of value which corresponds to the quantity of labour expended. If therefore today we say offhandedly with economists like Ricardo that the value of a commodity is determined by the labour necessary for its production, we always in so doing imply the reservations made by Marx. This suffices here; more is to be found in Marx's *A Contribution to the Critique of Political Economy*, 1859, and the first volume of *Capital*.⁵

But as soon as the economists applied this determination of value by labour to the commodity "labour," they fell into one contradiction after another. How is the value of "labour" determined? By the necessary labour contained in it. But how much labour is contained in the labour of a worker for a day, a week, a month, a year? The labour of a day, a week, a month, a year. If labour is the measure of all values, then indeed we can express the "value of labour" only in labour. But we know absolutely nothing about the value of an hour of labour, if we only know that it is equal to an hour of labour. This brings us not a hair's breadth nearer the goal; we keep on moving in a circle.

Classical economics, therefore, tried another tack. It said: The value of a commodity is equal to its cost of production.

But what is the cost of production of labour? In order to answer this question, the economists have to tamper a little with logic. Instead of investigating the cost of production of labour itself, which unfortunately cannot be ascertained, they proceed to investigate the cost of production of the *worker*. And this can be ascertained. It varies with time and circumstance, but for a given state of society, a given locality and a given branch of production, it too is given, at least within fairly narrow limits. We live today under the domination of capitalist production, in which a large, ever-increasing class of the population can live only if it works for the owners of the means of production — the tools, machines, raw materials and means of subsistence — in return for wages. On the basis of this mode of production, the cost of production of the worker consists of that quantity of the means of subsistence — or their price in money — which, on the average, is necessary to make him capable of working, keep him capable of working, and to replace him, after his departure by reason of old age, sickness or death, with a new worker — that is to say, to propagate the working class in the necessary numbers. Let us assume that the money price of these means of subsistence averages three marks a day.

Our worker, therefore, receives a wage of three marks a day from the capitalist who employs him. For this, the capitalist makes him work, say, twelve hours a day, calculating roughly as follows:

Let us assume that our worker — a machinist — has to make a part of a machine which he can complete in one day. The raw material — iron and brass in the necessary previously prepared form — costs twenty marks. The consumption of coal by the steam engine, and the wear and tear of this same

engine, of the lathe and the other tools which our worker uses represent for one day, and reckoned by his share of their use, a value of one mark. The wage for one day, according to our assumption, is three marks. This makes twenty-four marks in all for our machine part. But the capitalist calculates that he will obtain, on an average, twenty-seven marks from his customers in return, or three marks more than his outlay.

Whence come the three marks pocketed by the capitalist? According to the assertion of classical economics, commodities are, on the average, sold at their values, that is, at prices corresponding to the amount of necessary labour contained in them. The average price of our machine part — twenty-seven marks — would thus be equal to its value, that is, equal to the labour embodied in it. But of these twenty-seven marks, twenty-one marks were values already present before our machinist began work. Twenty marks were contained in the raw materials, one mark in the coal consumed during the work, or in the machines and tools which were used in the process and which were diminished in their efficiency by the value of this sum. There remain six marks which have been added to the value of the raw material. But according to the assumption of our economists themselves, these six marks can only arise from the labour added to the raw material by our worker. His twelve hours' labour has thus created a new value of six marks. The value of his twelve hours' labour would, therefore, be equal to six marks. And thus we would at last have discovered what the "value of labour" is.

"Hold on there!" cries our machinist. "Six marks? But I have received only three marks! My capitalist swears by all that is holy that the value of my twelve hours' labour is only

three marks, and if I demand six he laughs at me. How do you make that out?"

If previously we got into a vicious circle with our value of labour, we are now properly caught in an insoluble contradiction. We looked for the value of labour and we have found more than we can use. For the worker, the value of the twelve hours' labour is three marks, for the capitalist it is six marks, of which he pays three to the worker as wages and pockets three for himself. Thus labour would have not one but two values and very different values into the bargain!

The contradiction becomes still more absurd as soon as we reduce to labour time the values expressed in money. During the twelve hours' labour a new value of six marks is created. Hence, in six hours three marks — the sum which the worker receives for twelve hours' labour. For twelve hours' labour the worker receives as an equivalent value the product of six hours' labour. Either, therefore, labour has two values, of which one is double the size of the other, or twelve equals six! In both cases we get pure nonsense.

Turn and twist as we will, we cannot get out of this contradiction, as long as we speak of the purchase and sale of labour and of the value of labour. And this also happened to the economists. The last offshoot of classical economics, the Ricardian school, was wrecked mainly by the insolubility of this contradiction. Classical economics had got into a blind alley. The man who found the way out of this blind alley was Karl Marx.

What the economists had regarded as the cost of production of "labour" was the cost of production not of labour but of the living worker himself. And what this worker sold to the capitalist was not his labour. "As soon as his labour

actually begins," says Marx, "it has already ceased to belong to him; it can therefore no longer be sold by him."⁶ At the most, he might sell his *future* labour, that is, undertake to perform a certain amount of work in a definite time. In so doing, however, he does not sell labour (which would first have to be performed) but puts his labour power at the disposal of the capitalist for a definite time (in the case of time-work) or for the purpose of a definite output (in the case of piece-work) in return for a definite payment: he hires out, or sells, his *labour power*. But this labour power has grown together with his person and is inseparable from it. Its cost of production, therefore, coincides with his cost of production; what the economists called the cost of production of labour is really the cost of production of the worker and consequently of his labour power. And so we can go back from the cost of production of labour power to the *value* of labour power and determine the amount of socially necessary labour requisite for the production of labour power of a particular quality, as Marx has done in the chapter on the buying and selling of labour power. (*Kapital*, Band IV, 3.⁷)

Now what happens after the worker has sold his labour power to the capitalist, that is, placed it at the disposal of the latter in return for a wage — day wage or piece wage — agreed upon beforehand? The capitalist takes the worker into his workshop or factory, where all the things necessary for work — raw materials, auxiliary materials (coal, dyes, etc.), tools, machines — are already to be found. Here the worker begins to drudge. His daily wage may be, as above, three marks — and in this connection it does not make any difference whether he earns it as day wage or piece wage. Here also we again assume that in twelve hours the worker by his

labour adds a new value of six marks to the raw materials used up, which new value the capitalist realizes on the sale of the finished piece of work. Out of this he pays the worker his three marks; the other three marks he keeps for himself. If, now, the worker creates a value of six marks in twelve hours, then in six hours he creates a value of three marks. He has, therefore, already repaid the capitalist the counter-value of the three marks contained in his wages when he has worked six hours for him. After six hours' labour they are both quits, neither owes the other a pfennig.

"Hold on there!" the capitalist now cries. "I have hired the worker for a whole day, for twelve hours. Six hours, however, are only half a day. So go right on working until the other six hours are up — only then shall we be quits!" And, in fact, the worker has to comply with his contract "voluntarily" entered into, according to which he has pledged himself to work twelve whole hours for a labour product which costs six hours of labour.

It is just the same with piece wages. Let us assume that our worker makes twelve items of a commodity in twelve hours. Each of these costs two marks in raw materials and depreciation and is sold at two and a half marks. Then the capitalist, on the same assumptions as before, will give the worker twenty-five pfennigs per item; that makes three marks for twelve items, to earn which the worker needs twelve hours. The capitalist receives thirty marks for the twelve items; deduct twenty-four marks for raw materials and depreciation and there remain six marks, of which he pays three marks to the worker in wages and pockets three marks. It is just as above. Here, too, the worker works six hours for himself, that is, for replacement of his wages (half an hour in each of the twelve hours), and six hours for the capitalist.

The difficulty over which the best economists came to grief, so long as they started out from the value of "labour," vanishes as soon as we start out from the value of "labour power" instead. In our present-day capitalist society, labour power is a commodity, a commodity like any other, and yet quite a peculiar commodity. It has, namely, the peculiar property of being a value-creating power, a source of value, and, indeed, with suitable treatment, a source of more value than it itself possesses. With the present state of production, human labour power not only produces in one day a greater value than it itself possesses and costs; with every new scientific discovery, with every new technical invention, this surplus of its daily product over its daily cost increases, and therefore that portion of the labour day in which the worker works to produce the replacement of his day's wage decreases; consequently, on the other hand, that portion of the labour day in which he has to *make a present* of his labour to the capitalist without being paid for it increases.

And this is the economic constitution of the whole of our present-day society: it is the working class alone which produces all values. For value is only another expression for labour, that expression whereby in our present-day capitalist society is designated the amount of socially necessary labour contained in a particular commodity. These values produced by the workers do not, however, belong to the workers. They belong to the owners of the raw materials, machines, tools and the funds for advances which allow these owners to buy the labour power of the working class. From the whole mass of products produced by it, the working class, therefore, receives back only a part for itself. And as we have just seen, the other part, which the capitalist class keeps for itself and

at most has to divide with the class of landowners, becomes larger with every new discovery and invention, while the part falling to the share of the working class (reckoned per head) either increases only very slowly and inconsiderably or not at all, and under certain circumstances may even fall.

But these discoveries and inventions which supersede each other at an ever-increasing rate, this productivity of human labour which rises day by day to an extent previously unheard of, finally gives rise to a conflict in which the present-day capitalist economy must perish. On the one hand, immeasurable riches and a superfluity of products which the purchasers cannot cope with; on the other hand, the great mass of society proletarianized, turned into wage-workers, and precisely for that reason made incapable of appropriating for themselves this superfluity of products. The division of society into a small, excessively rich class and a large, propertyless class of wage-workers results in a society suffocating from its own superfluity, while the great majority of its members is scarcely, or even not at all, protected from extreme want. This state of affairs becomes daily more absurd and — more unnecessary. It *must* be abolished, it *can* be abolished. A new social order is possible in which the present class differences will have disappeared and in which — perhaps after a short transitional period involving some privation, but at any rate of great value morally — through the planned utilization and extension of the already existing enormous productive forces of all members of society, and with uniform obligation to work, the means for existence, for enjoying life, for the development and employment of all bodily and mental faculties, will be available in an equal measure and in ever-increasing fullness. And that the workers are becoming more

and more determined to win this new social order will be demonstrated on both sides of the ocean by May the First, tomorrow, and by Sunday, May 3.⁸

Frederick Engels

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